

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  U S WEST COMMUNICATIONS, INC., n/k/a QWEST CORPORATION	DOCKET NOS. INU-00-2 SPU-00-11
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**ORDER SETTING COMMENT PERIOD**

(Issued December 3, 2001)

On February 10, 2000, the Utilities Board (Board) issued an order initiating an investigation relating to the possible future entry of U S WEST Communications, Inc., n/k/a Qwest Corporation (Qwest), into the interLATA market. The investigation was identified as Docket No. INU-00-2.

In a filing dated May 4, 2000, Qwest encouraged the Board to consider a multi-state process for purposes of its review of track A (competition issues)<sup>1</sup>, various aspects of each item on the 14-point competitive checklist, § 272 (separate subsidiary) issues, and public interest considerations. The Board considered the concept of a multi-state process for purposes of its review of a Qwest § 271 application, sought comment, and subsequently issued an order dated August 10, 2000, indicating that its initial review of Qwest's compliance with the requirements of 47 U.S.C. § 271 would be through participation in the multi-state workshop process

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<sup>1</sup> See 47 U.S.C. § 271(c)(1)(A).

with the Idaho Public Utilities Commission, North Dakota Public Service Commission, Montana Public Service Commission, Wyoming Public Service Commission, and Utah Public Service Commission. Since the time of that order, the New Mexico Public Regulation Commission has also joined in the workshop process.

A report was filed with the Board on September 24, 2001, addressing general terms and conditions, Section 272, and Track A.

The Liberty Consulting Group's (Liberty) Report included a recommendation related to section 272 that,

Qwest be required to arrange for independent testing, covering the period from April through August of 2001 to determine: (a) whether there have been adequate actions to assure the accurate, complete, and timely recording in its books and records of all appropriate accounting and billing information associated with Qwest Corporation and Qwest Communications Corporation transactions, (b) whether the relationship between Qwest Corporation as a vendor or supplier of goods and services and Qwest Communications Corporation has been managed in an arm's length manner, including, but not necessarily limited to a consideration of what would be expected under normal business standards for similar contracts with an unaffiliated third party, and (c) whether there are reasonable assurances that a continuation of the practices and procedures examined will continue to provide the level of accuracy, completeness, timeliness and arm's length conduct found in examining the preceding two questions. (Report p. 54)

Qwest submitted a report conducted in accordance with the Liberty recommendation on November 15, 2001. The report was prepared by KPMG LLP (KPMG).

Any participant wishing to comment on the KPMG report filed by Qwest, or the accompanying affidavits of Judith L. Brunsting and Marie E. Schwartz, should do so on or before December 11, 2001. Qwest may file any responsive comments no later than December 18, 2001.

**IT IS THEREFORE ORDERED:**

1. Any participant wishing to file comments addressing the KPMG report and affidavits of Judith L. Brunsting and Marie E. Schwartz submitted on November 15, 2001, may do so on or before December 11, 2001.
2. Qwest may file responsive comments on or before December 18, 2001.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

Dated at Des Moines, Iowa, this 3<sup>rd</sup> day of December, 2001.